
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**R STREET SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

DECEMBER 9, 2005

The open session meeting of the R Street Subcommittee of the Investment Committee was held on Friday, December 9, 2005, in the Lincoln Plaza Building, 400 Q Street, Room 1140, Sacramento, California.

The meeting was called to order at 12:45 p.m. The following members were present:

Charles Valdes, Chair
Robert Carlson, Vice Chair
Ronald Alvarado
Priya Mathur
Kurato Shimada

Other Board Members Present:

Nick Smith, representing the Controller's Office
Rosalind Brewer and James Zerio, representing the Treasurer's Office

**AGENDA ITEM 2 – APPROVAL OF THE AUGUST 12, 2005 OPEN SESSION
MINUTES**

The minutes were approved with the correction made by Mr. Jim Zerio, representing the Treasurer's Office, who requested an addition to the August 12, 2005 Open Session minutes to reflect that the Treasurer's representatives were not present for Items 3, 4, and 5.

**AGENDA ITEM 3– REAL ESTATE UPDATE ON R STREET RESIDENTIAL
DEVELOPMENT**

Prior to the update, Mr. Jim Zerio, representing the Treasurer's Office, announced to the Subcommittee that the Treasurer recused himself from this item. Mr. Zerio read this statement to the Subcommittee to be included in the record:

The Treasurer disqualified himself from participating in, making, or attempting to influence any CalPERS decisions regarding residential development within the R Street Project area, including any update on residential development during the R Street Subcommittee report to be made during Open Session Item 3 on December 9, 2005. In February 2005, Bill Cummins became a source of income to the Treasurer for purposes of the Political Reform Act. Based on the information provided by CalPERS in response to an inquiry from the Treasurer's Office, it has come to our attention that Mr. Cummins owns property within the R Street Project area. Therefore, in an abundance of caution, the Treasurer will disqualify himself from this matter.

Mr. Zerio and Ms. Brewer recused themselves from this item and left the room and they did not return to the meeting.

Mr. Bob Langhi, Investment Officer, provided an update on residential development.

- SoCap Lofts I Project, located on the north-side of R St, 6th and 7th Streets, is mapped for 36 single family units with the site transfer to the development partnership scheduled for April or May of 2006. Model home construction is anticipated for the July or August of 2006. Production home construction is anticipated to run from September 2006 to September 2007.
- SoCap Lofts II Project located on the south-side, received tentative map approval from the Planning Commission in November 2005 for 36 single family detached units. The site is currently occupied by a state tenant and development will commence upon the expiration of their lease. Site demolition is anticipated for March 2007, site improvements in April 2007, and home construction from September 2007 to September 2008.
- Thompson Diggs Site is the one-square block surface parking lot located across the street from our new building. This project is currently being evaluated to be a 250,000 to 300,000 square foot mid-rise mixed use building with ground floor retail fronting R Street.

Mr. Langhi reported that a community meeting is tentatively scheduled for February 2, 2006 and will be sponsored by the City, CalPERS, CADA, SHRA, the State of California, and residential developers to discuss R Street developments from 2nd Street to 18th Street. Shortly after that meeting, CalPERS will hold a community meeting to discuss the specific streetscape design by our developer for the R Street Corridor.

AGENDA ITEM 4– R STREET MANAGER’S REPORT

Ms. Pat Macht reported on community outreach and event planning. New building tours are being conducted for CalPERS staff. To date approximately 240 staff have taken tours. Following the completion of staff moves in January, planning for a formal opening event and a family tour event will be done. It is anticipated that the family tour for staff may be held in February and the opening in March 2006.

Ms. Diana Proctor reported that staff moves into the new building are going well and that the Regional Office is moving in December 16, 2005. All staff will be moved into the West Building by Christmas and the Investment Office in January.

AGENDA ITEM 5– DRAFT R STREET SUBCOMMITTEE CALENDAR FOR 2006

The Subcommittee approved the R Street Subcommittee calendar for 2006.

AGENDA ITEM 6 – PROPOSED AGENDA FOR FEBRUARY 10, 2006 R STREET SUBCOMMITTEE MEETING

The Subcommittee approved the proposed agenda for the February 10, 2006 R Street Subcommittee meeting.

AGENDA ITEM 7 – PUBLIC COMMENT

Ms. Kay Knepprath, representing the Sacramento Old City Association, addressed the Subcommittee regarding the housing on the podium requesting that CalPERS meet with the community and share with the community its intentions regarding the podium and potential for residential development.

Board members assured her that no decision has been made about the podium housing and that there is no timeline for the decision.

The meeting was adjourned at 1:05 p.m.

The next scheduled meeting of the R Street Subcommittee is February 10, 2006.